



Financial Results for FY 2020

(Fiscal Year Ended March 31, 2020)

May 11, 2020

Yoshio Shimo

**Representative Director,
President and CEO**

Hino Motors, Ltd.

Forward-looking statements

This material contains forward-looking statements regarding the performance, goals, plans, and strategies of Hino Motors (including its consolidated subsidiaries). These forward looking statements are based on determinations and assumptions that have been derived from information currently available, and may differ considerably from real performance figures and future operations at Hino Motors due to uncertainties inherent in such determinations and assumptions, and other variables including changes in future corporate operations as well as shifts in internal and external conditions.

01. Results in FY 2020

02. Measures against the COVID-19

03. Outlook and policy for FY 2021

04. Regarding the progress of Challenge 2025



■ Situation of sales volume

[unit: vehicles]

		Results in FY 2020	Results in FY 2019	Change	Ratio to the figure in the previous year
	Overseas	113,496	131,647	-18,151	-13.8%
	Japan	66,806	71,507	-4,701	-6.6%
	Global	180,302	203,154	-22,852	-11.2%
	TOYOTA vehicles	139,323	152,670	-13,347	-8.7%

■ Situation of sales and profit/loss, etc.

[unit: billion yen]

		Results in FY 2020	Results in FY 2019	Change	Ratio to the figure in the previous year
	Sales	1,815.6	1,981.3	-165.7	-8.4%
	Operating income	54.9	86.7	-31.8	-36.7%
	Net income attributable to owners of parent	31.5	54.9	-23.4	-42.7%
	Dividend per share	20 yen	29 yen		
	Payout ratio	36.5%	30.3%		

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Efforts for preventing infection



In order to protect our employees and their families and contribute to the maintenance of logistics and transportation with out utmost effort, we will implement thoroughgoing measures for “not contacting the virus” and “preventing infection.”

HQ	<ul style="list-style-type: none">• Basically, remote working (about 6,000 remote workers)
Factory	<ul style="list-style-type: none">• To take infection-control measures more thoroughly• To promote remote working and off-peak commuting, if possible
Group	<ul style="list-style-type: none">• In Japan: To maintain ordinary operation while taking thoroughgoing infection-control measures• Overseas: To follow the instructions from each national government, while giving top priority to employees and their families

Support for healthcare professionals

02. Measures against the COVID-19

Face mask

In-house production (100,000 masks per day, start of production in June)

Donation to nearby municipalities and medical institutions (About 54,000 masks)

Production of face shields

***Start of donation to nearby medical institutions**



Sterilization of the driver's seat of each customer (Thailand)



Donation of rain ponchos to nearby medical institutions

(1,000 ponchos)

Trial production of protective shields for the driver's seat for buses for transporting patients



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Market conditions

【Japan】

The COVID-19 has already started affecting our markets.

In the truck market, sales declined in 2Q, and will be sluggish throughout this fiscal year. In the bus market, the performance of mainly sightseeing buses will be stagnant throughout this fiscal year.

【Overseas】

We assume a significant downturn in major markets in the first half, and the market will remain sluggish in the second half.

Target for FY 2021: global sales volume: 150,000 vehicles

***Sales volume in FY2020: 180,302 vehicles**



- **To maintain employment**
- **To respond to demand and supply, reduce fixed costs, and reconsider investments**
- **To shift to a business structure that can tolerate fluctuations**



To keep supporting customers engaging in logistics and transportation amid the current crisis and in the future



To cope with the recent drop in sales while looking ahead to the market after the end of the pandemic

- 【Response to demand & supply】**
 - Forward-looking, global production adjustment, inventory minimization, and operation loss reduction
 - To grasp demand and supply necessary products swiftly without fail
 - To swiftly take measures, while closely cooperating with TOYOTA Group, overseas enterprises, suppliers, etc.

- 【Curtailment of fixed costs and investments】**
 - To reduce expenses considerably from the previous year
 - To select problems and reconsider investments from scratch



Acceleration of shift to a business structure that can tolerate fluctuations

【Enhancement of comprehensive support】

Improvement and evolution of one-to-one support, through data-based streamlining and the improvement in added value to keep supporting customers' operations

【Optimal global procurement】

Acceleration based on alliances
Full-scale operation of the procurement JV with Traton and cementing of cooperation with Ashok in India

【Reform of personnel systems】

Adoption of the executive-officer system and
Further streamlining of the decision-making process

【Promotion of DX and reform of ways of working】

Maximization of efficiency and ES
Curtailment of fixed costs

【Cost reduction efforts】

To improve profit per vehicle
(design, procurement, factories, logistics)

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Challenge 2025 is progressing steadily amid this severe situation.


Challenges that we need to solve

Safety	Serious traffic accident
Environment	CO2 emissions
Efficiency	Sustainable growth for our customers' business
	Crisis in logistics, such as driver shortages




Provide value to our customers and the world

- ① Zero traffic accidents casualties
- ② Major reductions in CO2 emissions
- ③ Support the growth of our customers' business
- ④ Enhanced efficiency in transporting goods and logistics




安全・環境技術を追求した
最適商品

**Best-fit products incorporating
safety and environmental technologies**



最大化
アップ
タイム
ライフサイクル
コスト
トータルサポート

**Total support
customized for each vehicles**



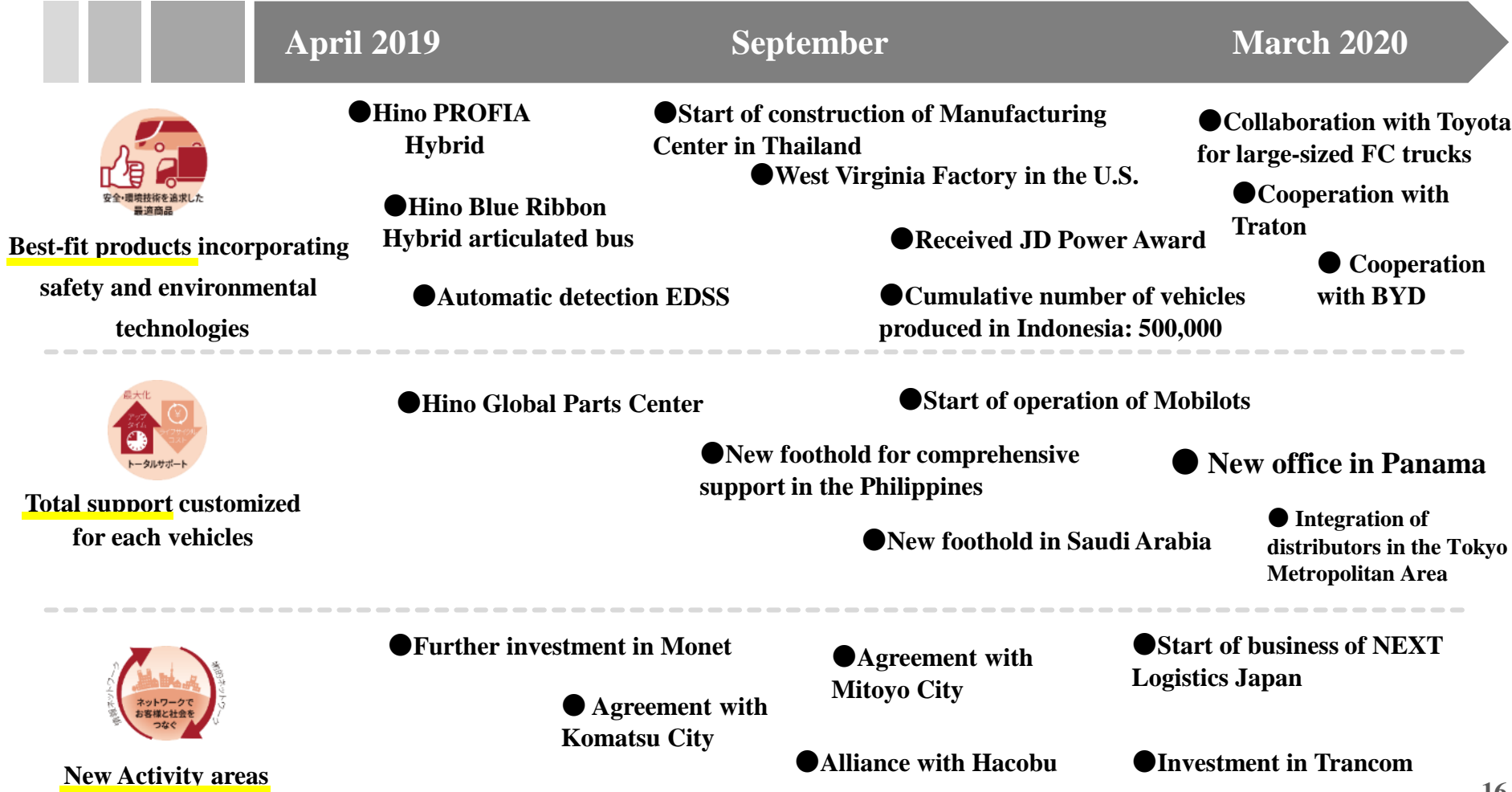
物流ネットワーク
ネットワークで
お客様と社会を
つなぐ
物流ネットワーク

New Activity areas

Three Directions to achieve “Trucks and buses that do more.”

Activities in FY 2020

To help solve customers' and social issues with "three directions"



Activities in FY 2020

Best-fit products incorporating safety and environmental technologies



◀ Start of operation of the new factory in the U.S.



◀ Start of construction of Thai Manufacturing Center

Safety

Automatic detection EDSS: Highly evaluated by users who emphasize safety

Environment

Hino Profia Hybrid: Its mileage, driving comfort, and quietness are highly evaluated.
In some cases, mileage improved 20%.

Articulated bus of Hino Blue Ribbon Hybrid: Received many inquiries, for solving the shortage of manpower

- The development of a system for supplying optimal products timely progressed as planned (Thailand and the U.S.)
- In JD Power's surveys in Japan on customer satisfaction, our heavy-duty and light-duty trucks ranked first 11 times and 6 times, respectively, in a row.

Activities in FY 2020

Total support customized for each vehicles



Hino Global Parts Center



HINO CONNECT



MOBILOTS



Sodegaura Branch of Chiba Hino



HQ of Ehime Hino



Foothold in Saudi Arabia



Technical support and training center in the Philippines

- **Steady progress for actualizing one-to-one support**
 - **Start of operation of Mobilots: Provision of vehicles and services suited for each customer's way of use**
 - **HINO CONNECT: Highly evaluated by customers, because it contributes to anxiety-free, safe operation**
- **Improvement and renewal of footholds inside and outside Japan, and structural reform**
- **Evolution and enhancement of comprehensive support in each area**

Activities in FY 2020

New Activity Areas



Start of operation of NEXT Logistics Japan



Komatsu city, Ishikawa Prefecture



Mitoyo city, Kagawa Prefecture



■ We have taken strategic measures for future transportation of goods and people.

Transportation of goods

- N L J** To cope with various issues that become apparent through actual operation and establish a scheme
- Hacobu** To plan new services for logistics operators

Transportation of people

- MONET** Cooperation with each OEM
- Komatsu City** Planning of regional vitalization through the increase of traffic of people
- Mitoyo City** Confirmation of certain effects in the demonstration in FY 2020

Collaboration in electrification

04. Progress of Challenge 2025

TOYOTA Group



To fulfill the role as a manufacturer specializing in commercial vehicles for actualizing a low-carbon/hydrogen society



TRATON
GROUP

Planning of electrification platforms and electric components for trucks and buses



Conclusion of strategic partnership contracts mainly for commercial EV development

Cooperation in sales and peripheral businesses

To develop and supply optimal products efficiently and swiftly based on alliances

Collaboration in electrification

TOYOTA

Collaborative development of heavy-duty fuel-cell trucks

- Fusion of technologies of Hino and Toyota
- Achievement of environmental performance and practicality at high levels



TRATON
G R O U P

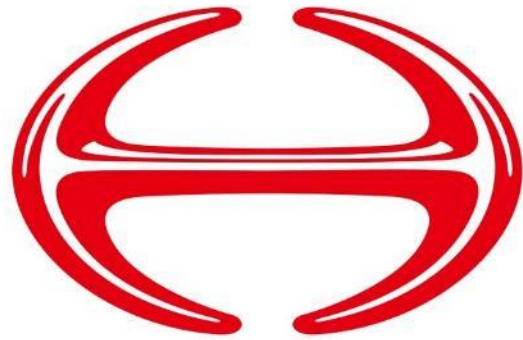
Planning of electrification platforms and electric components

- Platform will be applied to a wide array of vehicles, including light-duty and heavy-duty trucks.
- Hino adopted them first for the development of light-duty trucks, at which Hino is good.

BYD

Strategic alliance mainly for collaboration in commercial EV development

- We aim to embody a commercial EV that is really valuable for customers.
- We will accelerate the development of each EV and release optimal products timely.



HINO